RESEARCH MEMO

Armenia's Illegal Settlement Policy in the Occupied Territories of Azerbaijan

Mirza İbrahimov 8, Baku, AZ1005, Azerbaijan
(+994 12) 596-82-39, (+994 12) 596-82-41
E-mail: www.aircenter.az, info@aircenter.az

NOVEMBER 2023
Armenia’s Illegal Settlement Policy in the Occupied Territories of Azerbaijan

Background

Seizing the opportunity created by the collapse of the Soviet Union in the early 1990s, Armenia launched a fully-fledged war against Azerbaijan in order to annex the former Nagorno-Karabakh Autonomous Oblast (NKAO) of Azerbaijan. The war, which lasted until the establishment of a ceasefire in May 1994 and is known to history as the First Karabakh War, resulted in the military occupation of almost twenty per cent of Azerbaijan’s internationally recognized territory. The occupied territories included not only the former NKAO but also seven adjacent districts (Kalbajar, Lachin, Gubadli, Zangilan, Jabrail, Agdam, and Fuzuli) of Azerbaijan.

In the course of this invasion, Armenia committed ethnic cleansing against Azerbaijanis in the occupied territories. More than 700,000 Azerbaijanis were expelled from their homes. In one of the most tragic atrocities committed during the war, on February 25–26, 1992, 613 civilians, including 106 women and 63 children, were killed and 1,275 people taken hostage in the town of Khojaly.¹ Between 1992 and 1993, Azerbaijani civilians were also subjected to massacres in other occupied districts. For example, in Bashlibel and Agdaban villages of Kalbajar district, civilian residents were slaughtered as they either were unable to leave the area before the invasion of the armed forces of Armenia or simply refused to abandon their ancestral lands.

Immediately after the establishment of the ceasefire in 1994 and the forced displacement of all local Azerbaijanis from the occupied territories, Armenia started to take a wide range of measures to consolidate its control over the region and make the occupation permanent. The calls of the international community for a peaceful solution to the conflict and the international documents adopted for this purpose were consistently ignored by Armenia.

In 1993, the United Nations Security Council adopted four resolutions (822, 853, 874, 884) demanding the immediate and unconditional withdrawal of all occupying forces from all the occupied territories of Azerbaijan. In subsequent years, many other international organizations supported this demand. The United Nations General Assembly resolution entitled “The situation in the occupied territories of Azerbaijan,” adopted on March 14, 2008, emphasized the breach of international humanitarian

law and the illegality of “the situation resulting from the occupation of the territories of the Republic of Azerbaijan.”

The internationally mediated peace talks were abused by consecutive Armenian governments, which feigned cooperation to consolidate the occupation and colonize the seized territories. Meanwhile, Armenia sought to change the demographic composition of the occupied territories by transferring ethnic Armenians from Armenia and other countries. There is ample evidence attesting to the fact that Armenia systematically carried out an illegal settlement policy funded by both the government and non-government institutions including diaspora organizations. The illegal settlement of the occupied territories of Azerbaijan was carried out in flagrant violation of international law.

Under international law, illegal settlement is a war crime. For example, according to Article 49 of the Fourth Geneva Convention, to which Armenia is a party, “the Occupying power shall not deport or transfer parts of its own civilian population into the territory it occupies.” Armenia’s illegal settlement of the occupied territories of Azerbaijan in violation of this provision was noted by many international observers. For example, the Department of State of the United States, in a country report on human rights practices of February 25, 2004, stated that “There were credible reports that Armenian immigrants from the Middle East and elsewhere had settled in parts of Nagorno-Karabakh and possibly other Azerbaijani territories occupied by Armenian forces.”

The settlement activities were carried out in violation of the national legislation of Armenia as well. In Article 390 of Armenia’s Criminal Code, an occupying power’s deportation of the local population and transfer of its people to the occupied territories is considered a grave violation of international humanitarian law, punishable by 8–12 years of imprisonment. The responsibility of Armenia for violations of international law in the occupied territories of Azerbaijan was recognized by the European Court of Human Rights in its judgment of June 16, 2015, in the case of Chiragov and others v. Armenia. The Court concluded that Armenia had effective control over the separatist regime.

This brief report is an attempt to shed light on the policies of the Armenian government and the separatist entity illegally called the “Nagorno-Karabakh

---

4 Chiragov and others v. Armenia, application No. 13216/05, European Court of Human Rights (Grand Chamber), 16 June 2015
Republic” that Yerevan created in the occupied territories of Azerbaijan in the early 1990s. The report uses overwhelmingly Armenian sources to provide evidence about the objectives of the settlement policy and its implementation over the years from the early 1990s until the liberation of the occupied territories in the Second Karabakh War (September 27–November 10, 2020).

**Armenia sought to change the demographic situation and create a fait accompli**

After the occupation of Azerbaijan’s internationally recognized territories in 1992–1994, Armenia launched an illegal settlement policy in the occupied territories with the purpose of changing its demographic status and presenting a fait accompli to future negotiations. In 2004, the separatist regime in the Karabakh region announced that about 23,000 people had migrated to the occupied territories for “permanent residence” since 1994. These people were transferred to the former NKAO and other occupied territories of Azerbaijan, including 13,000 in Lachin, 700 in Kalbajar, 520 in Zangilan, and 280 in Jabrayil, which, before their occupation and ethnic cleansing, were fully populated by Azerbaijanis. According to Armenian sources alone, about 25,000 to 30,000 people had moved to the occupied territories by 2011.

A report by the Organization for Security and Cooperation in Europe (OSCE) dated September 1–October 31, 2004, quoted Anushavan Danielyan, the so-called prime minister of the separatist ‘Nagorno-Karabakh Republic’ (‘NKR’), about the settlement policies of the regime. According to Danielyan, his ‘government’ had a program to double the population from 150,000 to 300,000. He said that the issue was of demographic, economic, and strategic importance. “The programme will be implemented in all districts and in border districts in the first place and is being financed from the budget of the NKR with additional contributions from various organizations,” he added.

The OSCE’s fact-finding mission, which visited the occupied territories of Azerbaijan from January 30 to February 5, 2005, found credible evidence demonstrating illegal

---

settlement in the occupied territories of Azerbaijan. A further fact-finding mission of the OSCE in 2010 estimated that around 14,000 people had settled in the occupied territories around the former NKAO, stating: “While no reliable figures exist, the overall population is roughly estimated as 14,000 persons, living in small settlements and the towns of Lachin and Kelbajar.”

Armenia sought to take advantage of the military instability in the Middle East and transfer Armenians living in that region to the occupied territories of Azerbaijan. In the wake of the outbreak of the Syrian civil war, more than 15,000 Armenians applied for asylum in Armenia, some of whom ended up in Karabakh. A report by Azerbaijan’s Ministry of Foreign Affairs (MFA) in 2016 provided insight into the background of the transfer of Syrian Armenians to the Azerbaijani territories:

“In a new settlement wave, Armenia encourages and facilitates resettlement of Syrian Armenians in the occupied territories. Government agencies of Armenia, including its Ministry of Diaspora, as well as other organizations of Armenia, in particular the Armenian Revolutionary Federation (ARF), which designed special Yerevan-headquartered “Help Your Brother” programme for this purpose, are directly involved in encouraging Syrian Armenians to move to the occupied territories. Armenians from Syria (many from Qamishli and Aleppo cities in Syria) are settled mainly but not exclusively in the occupied Zangilan, Gubadly and Lachyn districts. Maintenance of and support for the settlements with Syrian Armenian communities serve as an incentive for more their compatriots and relatives to move from Syria and from Armenia, given the continuing instability in Syria and the dire economic situation in Armenia.”

The report of Azerbaijan’s MFA suggests some data about the numbers of these settlers with reference to Armenian sources:

---

As per other sources, as of 2015, the number of Armenian families from Syria settled in the occupied territories reportedly reached several hundreds. Given that, according to the Republic of Armenia’s Ministry of Diaspora, more than 16,000 Syrian Armenians have entered Armenia since March 2011, and at least 11,000 continue to reside in Armenia, the number of those settled in the occupied territories is likely to be much higher. They were allotted with either newly built homes or apartments in renovated buildings. Those families deciding to stay and adapt are promised the property ownership certificate. Regardless of how many Syrian Armenians currently reside in the occupied territories, their presence in those territories serves as an incentive for more their compatriots and relatives to move from Syria and from Armenia, given the continuing instability in Syria and dire economic conditions in Armenia.\(^\text{12}\)

Considering their experience in agriculture, the Armenian leadership hoped that the settlement of the Syrian Armenians in the occupied territories would also help the efforts to develop the local economy. The above-mentioned report of Azerbaijan’s MFA maintains that newcomers from Syria were chiefly settled in the occupied districts of Zangilan, Gubadli, and Lachin, which were most favorable in terms of agriculture.

The Armenian media reported that Syrian Armenians who settled in the occupied territories were recruited to serve in the Armenian armed forces. “A second group of volunteers from Kashatagh region of Nagorno-Karabakh went to the frontline to support the soldiers. Robert Matevosyan, head of the Kashatagh Regional Council’s Department of Resettlement, told Panorama.am that the volunteers’ group comprises 100 people, including Syrian Armenians,” reported the Armenian news outlet panorama.am in August 2014.\(^\text{13}\)


Armenia offered various incentives to promote illegal settlement and involved many organizations at home and abroad

Attracting people to the occupied territories of Azerbaijan was a challenging endeavor for Armenia. The International Crisis Group reported that Armenia actively promoted the settlement of ethnic Armenians in the occupied region of Azerbaijan by providing a wide range of incentives.14 These encompassed offerings such as housing, the development of social infrastructure, affordable or free utilities, financial assistance, livestock support, tax exemptions, the construction of new residences, allocation of land parcels, and access to loans at advantageous rates.

The separatist regime was also offering incentives to encourage people to have more children. According to an article published by The Guardian on January 23, 2014, these measures were paying off:

[Newly-wed couples] ... received around £470 at their wedding. They could go on to get £150 for their first baby, £310 for the second, £780 for the third, and £1,110 for the fourth. Families with six children under the age of 18 get a house. These are significant amounts in a country where income is very low. Within three years of the incentive being introduced, the birth rate had spiked by 25%.15

According to estimates by Armenian journalists, the largest share in the volume of investments in the occupied territories of Azerbaijan is attributed to the Republic of Armenia at $110 million.16 The Armenian Revolutionary Federation (ARF) political party made the biggest investments in the Lachin and Kalbajar regions. The volume of their investments was reported to have amounted to more than $20 million.

In 2001, the separatist regime in Karabakh approved a 10-year resettlement plan that specified the resettlement goals and geographical locations.17 According to this 10-year resettlement program, 10,000 apartments and 200 schools, along with medical institutions, water lines, roads, etc., were to be built. The settlement program defined “demographic growth and repopulation” as a policy goal and targeted

---

settling 36,000 ‘refugees’ in the region by 2010.\textsuperscript{18} The separatist regime described the occupied territories as ‘liberated’ and encouraged compatriots to move to this region.

Armenia was planning to boost the population settled in the occupied territories by 300,000 by 2010. For example, on April 18, 2001, a report by Armenian daily newspaper AZG, under the title “The Nagornyy Karabakh Republic Really is a State” by Tatuł Akopyan, stated:

\begin{quote}
The NKR’s only problem, which can certainly be called a pan-national one, is the problem of resettlement, which is the main guarantee for NKR security. According to unofficial information from Stepanakert, the NKR has 150,000–160,000 thousand residents, while the republic is able to provide normal living conditions for more than 300,000 people. The NKR prime minister, Anushavan Danielyan, said several times that in 2010 the NKR population would reach 300,000. As Samvel Arutyunyan, head of the internal migration and resettlement board, told AZG, since October 2000 till today 2,000 families have wanted to resettle in Artsakh. Five hundred families were registered and work on their move has already started. Armenian families from Armenia, the Russian Federation’s North Caucasus republics, Rostov, Krasnodar regions and other countries want to move to Karabakh. As the NKR government is unable to accept all the applicants at the same time, selection is made according to the following criteria: a) the families must be whole, b) the families must have many children, c) they must have experience in agriculture, raising livestock and so on. The NKR government gives some aid and privileges to the immigrants. The resettlement of these families in Artsakh is carried out with state funds - they receive a newly built house, 6,000 square metres of land per capita, a credit of 200,000 drams for 20 years and 0.5 per cent interest per family, and families are exempted from taxes for the first five years. We hope that the Armenians of the Diaspora will support the programme of Artsakh’s resettlement.
\end{quote}

The illegal settlement policies remained a priority of the separatist regime throughout its existence. Bako Sahakyan, the so-called president of the ‘NKR’ from 2007 to 2020, defined this as a major target of his ‘government.’ Under his rule, funds amounting to $800,000 were allocated from the budget of the local regime to

populate and develop new settlements in the territories adjacent to Karabakh for the first time.\textsuperscript{19}

**Independent investigative reports found that, between 1993 and 2020, several Armenian foreign diaspora foundations actively participated in unlawful settlement initiatives**

Foundations including the Hayastan All-Armenian Foundation, Tufenkian Foundation, Armenian General Benevolent Union, Armenian Revolutionary Federation, and Artsakh Roots Investment, among others, channeled hundreds of millions of US dollars into the settlement programs. Their contributions primarily involved the construction and funding of various projects such as housing, infrastructure, road development, and utility provision to support the resettlement efforts.

One of the institutions that took an active part in the resettlement of the occupied territories was the Hayastan Pan-Armenian Fund (HAF), which was created in 1992 to ‘rebuild’ Karabakh and implement development projects in Armenia. The Armenian media reported that the HAF invested more than $4.6 million in reconstruction and humanitarian projects up to 1995. The institution helped in the construction of houses, medical centers, and kindergartens to facilitate the settlement of Armenians who were brought to the area from other countries. It is reported that the HAF spent more than $370 million on various projects in Armenia and Azerbaijan’s occupied regions from 1992 to 2020.\textsuperscript{20}

The Tufenkian Foundation was another Armenian institution that implemented various projects in the Lachin region of Azerbaijan with the purpose of resettlement and economic development. After having started its work in the occupied territories in 2003, the foundation founded a village in the Lachin district in 2004 and sought to provide housing for the newcomers. At around the same time, the Armenian General Benevolent Union (AGBU) started operations with the same purpose. The AGBU was particularly focused on restoring and resettling the villages. It was reported that 150 residents were settled in 30 houses built by the AGBU in the Karabakh region.


Artsakh Roots Investment (ARI) was another Armenian institution that participated in the illegal settlement of the occupied territories. It is reported that the ARI funded the construction of the ‘Sydney’ district in Kalbajar region. The district was built mainly with the investments of Lebanese and Australian Armenians, who invested about $500 thousand in the project. It was supported by the separatist regime, which invested another $300,000 to create infrastructure in the district.

In 2003, the Menq Union for Farmers Mutual AID was set up to support settlers in establishing households in the so-called ‘Kashatagh Region’ that was illegally set up in the territory of the formerly occupied Azerbaijani districts of Lachin, Qubadli, and Zangilan. Over seven years of operation, this entity backed the establishment of more than 50 households. Through livestock breeding projects, it provided over 100 mature cattle, 70 calves and bullocks, and 50 pigs. The Union also provided poultry and horses to settlers. Livestock for such projects was provided directly from Armenia. Settlers were granted ‘legal ownership’ of the donated properties at no cost, provided they lived in the occupied territories for more than 10 years.

Yerkir, a non-governmental organization, was another Armenian institution that was striving to collect funds and facilitate the illegal settlement of the occupied territories. The organization’s declared goals were to promote the settlement of Armenian families in Armenian frontier regions and in Karabagh and to defend their rights, in addition to the maintenance of Armenian cultural and architectural monuments in these regions. For example, in March 2004, this NGO stated that it had secured $400,000 in written pledges from donors, particularly diaspora organizations, to organize the settlement of 80 Armenian families in Karabagh. The year before, the organization was reported to have carried out $200,000 worth of projects and settled two Armenian families in Karabagh.

Illega settlements persisted until the Second Karabakh War

Armenia’s plans to increase the population of the occupied territories by 300,000 by 2010 were only partially successful. For instance, media reports indicate that in 2018 the population in the area was 147,000, only 8 per cent of whom (12,300 people) were settled in the Kalbajar and Lachin regions. The source reported the plans of

---


10
the separatist regime to move more people to the area and the incentives offered to them. Elina Mkhitaryan from the so-called ‘Territorial Administration and Resettlement Department’ of the separatist entity stated that “each resettled family is granted a ten-year lease on a home in return for the fulfilment of certain obligations ... 6,000 square meters of land are allocated on a permanent basis to each member of a resettled family. The resettled family is also exempt from paying utility bills for five years.”

Mkhitaryan continued: “We are pleased with the fact that there are already 76 Armenian Syrians living in Kashatagh today. We are convinced that their number will increase. I want to emphasize that everyone is eligible to avail of the relocation scheme whether they are those who left Karabakh because of the war, those who are residents of Armenia, or those [ethnic Armenians] who have come from another country,” she reported to the media.24

On August 25, 2020, a month before the outbreak of the Second Karabakh War, the Armenian media announced the arrival of two ethnic Armenian families from Beirut, Lebanon, in the occupied territories of Azerbaijan.25 This was declared part of Yerevan’s assistance program to Lebanon’s Armenian community. The wider initiative specifically included a plan to settle in Armenia and the occupied territories of Azerbaijan Lebanese Armenians who suffered socio-economically as a result of the explosion at the Beirut port warehouses on August 4, 2020.

A day after this catastrophic event in Beirut, Arayik Harutyunyan, the leader of the former separatist regime in Karabakh, sought to use the opportunity to bring in Armenians from Lebanon. Immediately after the explosion, Harutyunyan held a phone conversation with Aram I, the Catholicos of Cilicia, the head of the Armenian Apostolic Church based in Lebanon. Harutyunyan told Aram that Karabakh’s separatist authorities were ready to receive 100 to 150 families.26 Later, speaking at an August 25 meeting devoted to the assistance programs to Lebanese Armenians, Harutyunyan declared that his administration would “welcome and provide housing to all ... compatriots who wish to move” to Karabakh.27

---


According to Harutyunyan, Lebanese Armenians were encouraged to resettle in their ‘homeland’ by the provision of housing and other necessities. On September 10, a couple of weeks before the start of the Second Karabakh War, the Armenian media disseminated a video of the settlement of the first Lebanese-Armenian family in Shusha, a historical Azerbaijani town in Karabakh. Local media further reported on plans to move 15 additional families in the near future.28

The settlement of Armenians in the occupied territories outraged the Azerbaijani government and the public, adding more fuel to the already-strained tensions between the two conflicting nations that had been further enflamed by the border clashes in July 2020. Hikmet Hajiyev, the foreign policy advisor to the president of the Republic of Azerbaijan, stated that “Armenia aims to alter the demographic situation across Azerbaijan’s occupied territories by pursuing the illegal settlement policy.” Referring to international law, Hajiyev noted that the Geneva Convention of 1949 proscribes the transfer of the civilian population of the occupying state into the territory it occupies. “Ironically, such actions are considered a crime under Armenia’s own legislation. In Article 390 of Armenia’s Criminal Code, the occupying power’s deportation of the local population and transfer of its people to the occupied territories is a grave violation of international humanitarian law, punishable by 8–12 years of imprisonment,” Hajiyev told a local news outlet in Baku.29

Thanks to satellite imagery provided by Azercosmos, Azerbaijan’s satellite operator, Baku was able to track the expansion of new settlements in this region. One such image, shared by the Azerbaijani Ministry of Foreign Affairs on August 15, 2020, revealed the construction of a 15-house residential complex in Kalbajar, in the northwestern part of the occupied area.30 The joint press release of the foreign ministry and Azercosmos warned that the growth of the number of homes there, from six in January 2020 to fifteen in August, showed that this settlement was planned to be further expanded. According to the shared information, similar residential complexes were established in other parts of the occupied territories: the Aracamux residential complex in Jabrayil; Ariavan in Lachin region; and others in Zangilan and the village of Khanlig in Gubadli region.

28 Artsakhpress.am, 2020: “A regular meeting was held at the work headquarters established to provide assistance to the Lebanese Armenians in Artsakh”, available at: https://artsakhpress.am/arm/news/132087/arcakhum-libanahayutyann-ozhandakutyun-cucaberelu-patakov-stextsvats-ashkhatanqayin-shtabum-kayacel-e-hertakan-khorhrdakcutyun.


On September 14, 2020, Azerbaijan’s foreign ministry sent a letter of protest to the Minsk Group of the OSCE, the international institution tasked with the mediation of the conflict between Armenia and Azerbaijan. “We call on the international community to take practical steps to hold accountable the Armenian government, which keeps the Azerbaijani territories under occupation and [is] carrying out illegal activities in these lands,” the Azerbaijani foreign ministry declared in its address.\(^{31}\)

Although the Minsk Group did not comment on Azerbaijan’s appeal, the international body’s previous fact-finding missions in the occupied territories, in 2005 and 2010, had already reported evidence of new settlements. In 2005, the co-chairs of the Minsk Group warned against the potential repercussions of this process, underscoring that new housing construction created a \textit{fait accompli} for future negotiations on the status of the region and, as such, seriously complicated the peace process.\(^{32}\) These international calls were ignored by the Armenian leaders until the Second Karabakh War on September 27, 2020. In the course of and after the war, Azerbaijan succeeded in putting an end to the military occupation of the Azerbaijani territories.

\section*{Conclusion}

This report sheds light on Armenia’s illegal settlement policy in the formerly occupied territories of Azerbaijan. Primarily relying on Armenian sources, it illustrates that Armenia initiated a deliberate strategy soon after occupying Azerbaijani territories. Armenia’s settlement policy had multiple objectives, including establishing a \textit{fait accompli}, altering the demographic composition, erasing Azerbaijan’s historical and cultural heritage, and solidifying control over the occupied areas. Ultimately, these illicit actions were aimed at obstructing Azerbaijan’s efforts to liberate the occupied territories and repatriate Azerbaijani internally displaced persons (IDPs) to their rightful homes.

This policy involved the resettlement of ethnic Armenians from various regions, including those affected by the Syrian civil war, with incentives such as housing, land, financial support, and tax exemptions. Several Armenian diaspora foundations played a significant role in funding and facilitating these illegal settlements, thus

---


contributing to the ongoing demographic changes. All this indicates that Armenia’s settlement policy was not sporadic but a long-term policy to achieve ethnic transformation of the occupied territories in favor of Armenia.³³

The international community, through various resolutions and fact-finding missions, repeatedly highlighted the illegal nature of these settlement activities. These actions not only violated international humanitarian law but also undermined the prospects for a peaceful resolution to the conflict, as they sought to create new realities on the ground that would ultimately have a destructive impact on the peace negotiations.

The report highlights that Armenia’s illegal settlement policy continued until the outbreak of the Second Karabakh War in 2020. Armenia’s persistence in pursuing this policy, despite international appeals and objections from Azerbaijan, made it evident that Armenia was not inclined towards a peaceful resolution of the conflict. This situation left Azerbaijan with no choice but to employ alternative measures to prevent the further entrenchment of the illegal occupation of its territories and thus to alter the status quo.

For additional information, the following resources may be helpful:


Center of Analysis of International Relations